

“How to Promote a Pro-Israel formula in USA politics by Israeli - American multi-billionaire Haim Saban” based on his New Yorker Interview-here reprinted for Archives

The Influencer

An entertainment mogul sets his sights on foreign policy.

New Yorker Interview with Haim Shaban by Connie Bruck

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One afternoon in late October, Haim Saban, seated in his wood-panelled library, contemplated the results of a fourteen-month renovation of his estate. It consists of a main house and two smaller buildings—one for guests and entertaining, one for his wife’s parents. He lives in Beverly Park, a gated community above Beverly Hills that is popular among Hollywood celebrities and moguls for its security and

its exclusivity. With the help of an architectural firm, Saban's wife, Cheryl, had transformed the interior of the twenty-three-thousand-square-foot French-style country manor house. "Only the outer walls were left—it looked like an airplane hangar!" Saban told me. The large foyer opened into a vast space comprising a living and a dining area, with minimalist modern furniture. Near the white upholstered sofas was a floor-to-ceiling display case filled with antiquities from Israel, and large Chagall paintings hung on the walls. "We have only Chagalls," he said.

Saban enjoys playing the part of a man exasperated by his wife's extravagance. "She left only the Jerusalem tile in the guest bathroom, and she left this room, but she made the wood darker, and she put leather on the ceiling," he told me. He pointed at the ceiling high above us. "I said, 'Why do we have frigging leather on the ceiling? You can't even see that it is leather!' But then I stopped myself. Marriages break up over renovating a house. Really, they do. So I decided, I will not say a word." Minutes later, he heard music blaring from the outdoor sound system. "What is this, a bar mitzvah?" he declared, and went to investigate. "New speakers?" he said to the technicians. "What was the matter with the old speakers?" He shrugged, and gestured toward the "back yard," which had been his project—an expanse of emerald lawn adorned with nine hedges, many trimmed in the shapes of life-size animals (a horse, a hippo, an elephant). He murmured, "My Versailles."

Saban is not given to modest ambitions. Sixty-five years old, with a broad, dynamic countenance and slicked-down wavy black hair, he is known in Los Angeles as the man who brought the Mighty Morphin Power Rangers from Japan to America; the chairman and part owner of Univision, the nation's leading Spanish-language media company; a staunch supporter of Israel (he has dual citizenship); and one of the largest individual donors to the Democratic Party. "Haim is a force of nature," his friend Barry Meyer, the chairman and C.E.O. of Warner Bros., said. As a youth in Israel, Saban attended an agricultural boarding school where, he says, immigrants like his parents sent children they could not afford to feed. When he was expelled for being a troublemaker, he began attending a night school, where the principal told him, "You're not cut out for academic studies; you're cut out for making money." The prediction seemed to come true in 2001, when Rupert Murdoch and Saban sold their joint venture, Fox Family Worldwide, to Michael Eisner, the C.E.O. of Disney: Saban made one and a half billion dollars. It was—and still is, he points out—the biggest cash transaction by an individual in the history of Hollywood. In March, *Forbes* estimated his net worth at \$3.3 billion.

Perhaps Saban's greatest asset over the years has been his remarkable ability to cultivate, charm, and manipulate people. "Being charming and analytical is quite a combination," said Shimon Peres, the President of Israel, who has been a close friend of Saban's for more than twenty years. "Charmers from time to time get lost." But Saban, he continued, "isn't floating in the air." As a way of disguising his shrewdness and his mental agility, Saban is often self-deprecating; he describes himself as a "former cartoon schlepper." English is one of his six

languages, and his adversaries are sometimes disarmed by his linguistic stumbles, but he uses words very skillfully.

Although Saban has lived in the United States for nearly thirty years, he remains deeply connected to Israel. He watches Israeli news shows, via satellite, throughout the day, and is a devout fan of the Ha'gashash Ha'chiver (Pale Pathfinder), a popular Israeli comedy troupe that performed for decades. "He knows every sketch of theirs by heart, and he uses their language very often when he speaks Hebrew," his friend Dan Gillerman, the former Israeli Ambassador to the United Nations, said. His hundred-year-old mother and his brother live in Israel, and Saban travels there frequently. Through the years, one of his closest advisers has always been an Israeli and, in business meetings with others on his team, the two would occasionally slip into a side conversation in Hebrew.

He remains keenly interested in the world of business, but he is most proud of his role as political power broker. His greatest concern, he says, is to protect Israel, by strengthening the United States-Israel relationship. At a conference last fall in Israel, Saban described his formula. His "three ways to be influential in American politics," he said, were: make donations to political parties, establish think tanks, and control media outlets. In 2002, he contributed seven million dollars toward the cost of a new building for the Democratic National Committee—one of the largest known donations ever made to an American political party. That year, he also founded the Saban Center for Middle East Policy at the Brookings Institution, in Washington, D.C. He considered buying *The New Republic*, but decided it wasn't for him. He also tried to buy *Time* and *Newsweek*, but neither was available. He and his private-equity partners acquired Univision in 2007, and he has made repeated bids for the Los Angeles *Times*.

By far his most important relationship is with Bill and Hillary Clinton. In 2002, Saban donated five million dollars to Bill Clinton's Presidential library, and he has given more than five million dollars to the Clinton Foundation. In February, Secretary of State Hillary Clinton delivered a major policy address at the U.S.-Islamic World Forum in Doha, co-sponsored by the Saban Center. And last November Bill Clinton was a featured speaker at the Saban Forum, an annual conference attended by many high-level Israeli and U.S. government officials, which was held in Jerusalem. Ynon Kreiz, an Israeli who was the chairman and chief executive of a Saban company and Saban's closest associate for many years, attended the conference, and when I commented that his former boss appeared to be positively smitten with Bill Clinton, Kreiz replied, grinning broadly, "No! No! I remember once Haim was talking to me on the phone, and he said in Hebrew, without changing his tone so Clinton would have no idea he was speaking about him, 'The President of the United States, wearing his boxers, is coming down the stairs, and I am going to have to stop talking and go have breakfast with him.' "

In the summer of 1996, not long after Shimon Peres lost the election for Prime Minister to Benjamin Netanyahu, Peres travelled to Los Angeles and visited

Saban, a major supporter, at the tall Westwood office building where he leased ten floors. Giant letters that spelled out “S-A-B-A-N” ran along its roofline. Saban had gathered a small number of associates to meet with Peres, and he began by saying that when he was living in the slums of Tel Aviv he never could have imagined what had come to pass—and then he broke off, weeping. “He was crying like a little boy, and Shimon, seated next to him, just held his hand,” a member of the group recalled.

Saban’s father had been a sales clerk in a small toy shop in Alexandria. One day, Saban says, he was doing his homework by an open window of the family’s apartment. An Egyptian soldier across the way suddenly pointed his gun at him, and called out, “You, Jew! You, Jew! Bam bam!” In 1956, after the Suez Crisis, the Egyptian President, Gamal Abdel Nasser, effectively ordered Jews to leave the country. The Sabans—his parents and his grandmother, and his younger brother—immigrated to Israel, where they shared a three-room apartment with two other families, next to the old Central Bus Station in Tel Aviv. Saban took on a variety of jobs; when he first arrived, he sold cactus fruit in the street, and, at the agricultural boarding school, he offered to clean manure from barns in a nearby village. Before long, he had so many customers that he became a contractor of manure cleaners, and no longer had to do the work himself.

At twenty, while he was serving in the Israeli Defense Forces, Saban made his entry into show business. He told the owner of a swimming pool where a band played that he was a member of a far better band. Saban didn’t really play an instrument, and he didn’t know a band. But he found one, and took the businessman to a club to hear it, claiming that he wasn’t playing because he had hurt his arm. He named a price that was double what he had learned the band was making, and then approached the band members with his offer and his condition: let him join. “They said, ‘For double the money, we’ll figure the whole thing out.’ ” He eventually learned to play the bass guitar a little, but occasionally during the first few months he performed with both his speaker and his microphone turned off.

During the 1967 Six-Day War and the 1973 Yom Kippur War, Saban did not fight, but he says that he was part of a unit that entertained the troops. Meanwhile, starting in the late sixties, Saban and a friend, Yehuda Talit, became concert promoters, sometimes making down payments to performers by borrowing against future ticket sales. The company, with seven hundred thousand dollars in debt, foundered during the economic downturn following the Yom Kippur War. Saban decided to move to Paris, and drew up a contract itemizing his and Talit’s respective obligations. According to Talit, Saban always insisted on meticulously detailed agreements.

Talit says that he and Saban remain close. These days, when they see each other, he said, “Haim is always asking me the question ‘Did you believe something like this could happen?’ I say no. But there was something about him. He was not just smart. He had an unusual character. He never had shame. What others were afraid to do, he would do.”

In Paris, Saban started out as an entertainment manager and a record producer. In Israel, he had spotted a nine-year-old boy, Noam Kaniel, who had an amazing voice; he brought Kaniel to Paris, taught him French, and got him recording contracts. Their biggest hit came in 1978, when Kaniel sang the theme song for “Goldorak,” a Japanese cartoon series broadcast in France. Saban had discovered the hidden gem of music publishing: music aired on televised cartoons.

It was such an arcane aspect of the business that even most producers of TV cartoons did not fully grasp it. Cartoons can be licensed to television stations around the world (dubbed in local languages), and relicensed countless times; they are known in the business as “perennials.” And, because most countries require separate copyrights for the music and the cartoon, TV stations must acquire music licenses through performing-rights organizations—in the U.S., mainly BMI and *ascap*—in exchange for annual fees from the broadcasters. BMI and *ascap* ultimately divide the money collected from the broadcasters among their members, according to a complex formula. Many artists and publishers failed to understand how much they could potentially collect in royalties.

In 1980, Saban visited the Paris offices of D.I.C. Audiovisual, a production company that specialized in children’s animated programming, founded by a friend named Jean Chalopin. “Haim walked in the door of my office,” recalled Andy Heyward, who was an executive there at the time, “and he said, ‘Bubbe, you have these cartoons you make. I’m going to do your music for free.’

“I said, ‘Oh, yeah? How?’

“ ‘I keep the publishing, you get all the music you need.’ ”

In addition to Kaniel, Saban represented Shuki Levy, an Israeli who was living in Paris and performing as a singer and as a musician. Levy loved to compose. “Haim said, ‘We’ll be co-composers,’ ” Levy told me. “ ‘You do the composing, I’ll do the deals.’ I figured, ‘Great. Brothers.’ That was the last business conversation we had for many years.” Levy added, “We were partners. We never had a written agreement. It was all verbal.”

In 1983, Saban moved to Los Angeles, and made the same offer to many production companies that he had to Heyward: free music in exchange for publishing rights. Levy and Kaniel joined up with him there and began composing, but there was so much work that Saban had to hire more composers and arrangers. They were paid salaries, and signed contracts in which they relinquished their rights to royalties. Kobi Oshrat, an Israeli musician who has been a friend of Saban’s since 1972, said the deals made sense for artists in their position. “These were young composers, desperate to make money, so they agreed.” Royalties for music are typically divided equally between publisher and writer. From the early eighties on, Saban was listed as a publisher, and he and Levy were listed mainly as co-writers of the music, even though, according to Levy, Saban composed very little. (Saban says that he did write or co-write some songs, including the theme to the cartoon “Heathcliff.”) Each year, Saban earns

substantial payments from his royalties as a writer; in 1999, he received more than two and a half million dollars.

Kaniel, too, signed a contract relinquishing any claim to royalties, and he was paid a salary. "Haim didn't put a gun to my head," Kaniel, who thinks of Saban as family, said. "I was ecstatic to have the chance to learn a craft." When Kaniel was nineteen, his eighteen-year-old girlfriend, Kira, discovered that she had cancer. For the next four years, Kaniel took care of her; often, he did not show up at the studio, and Saban never complained. He and Kira told Saban that they wanted to get married, Kaniel said. "Haim cried like a baby," and then he told them that the wedding would be his present to them. "It was a dream wedding, and he paid for everything," Kaniel said. Kira died two weeks later.

Kaniel worked for Saban until 1995, when he moved to Paris. For a number of years, Saban continued to pay Kaniel a salary, while Kaniel worked on his own projects. Still, Kaniel had composed music for cartoons for sixteen years. When he was asked if he had received royalties for any of the music, Kaniel said, reluctantly, "Basically, no."

In 1986, Saban sold his first catalogue of cartoon music, to Warner Communications, for about six million dollars. In the transaction, he was represented by Matthew Krane, a thirty-two-year-old tax lawyer at Pollock, Bloom & Dekom, a boutique firm that specialized in entertainment law, in Los Angeles. Brainy and engaging, Krane—slight, dark-haired, with a sharp, blue-eyed gaze—had eclectic interests. After graduating from St. John's College, in Santa Fe, he won a Thomas J. Watson Fellowship and spent a year in Europe, studying electronic-music composition. Then he went on to Harvard Law School. Krane revelled in the rigors of tax law. "There is an element of puzzle-solving that exists in tax law that doesn't exist in other areas," he told me. "Also, there is the analysis of conflicting legislative objectives: why is there this exception to this exception to this exception? You're solving mind-bending legal problems."

Even in a law firm that catered to a Hollywood clientele, Saban stood out. When they were closing a major deal, Krane recalled, "he came into the firm singing, in this big voice—'I'm here!' " Once, when Krane met Saban at his office on Ventura Boulevard, he found him at his desk, with a Rolls-Royce salesman seated across from him. "This guy looked like he'd been through the wringer, his hair this way and that, like he'd been pulling it out, and he was saying, 'No, I can't, I can't sell it for that!' And Haim was saying, 'You can.' And, of course, he did," Krane said. Saban bought his first Corniche—a six-month-old white convertible, with the license plate "RSKTKR."

Behind Saban's theatrics, Krane concluded, was an intellect as powerful as any he had encountered. Moreover, Saban's eagerness to minimize his taxes provided an abundance of the confounding problems Krane loved. In one major project, in 1988, Krane set up a company in the Netherlands Antilles as a tax haven, to handle all of Saban's foreign distribution of programming. As a result, Saban paid nothing in taxes on his profits in any foreign country. Krane

estimated that over the years this strategy had saved Saban at least a hundred million dollars.

Saban enlisted Krane's help in many of his deals, which often required complicated maneuvering. In 1986, Andy Heyward and other investors had acquired D.I.C. from Jean Chalopin, and the company was burdened with heavy debt. Heyward wanted to sell assets to raise cash. Saban agreed to buy, among other things, the foreign rights to the D.I.C. library of children's programming. Saban told Heyward that he was going to sell the library rights to an investor, whose identity he didn't disclose. It was Jean Chalopin—by this time, Heyward considered Chalopin an enemy—who had lined up a corporate partner for the deal. According to Krane, after many machinations Chalopin and his partner paid about twice as much for the library as Heyward sold it for. "What Haim's profit in that deal was I don't know, but he was in business to make money," Heyward said.

Not long afterward, D.I.C. sued Saban Productions. By this time, Heyward's and Saban's companies were deeply intertwined, and Heyward wanted a divorce, and damages. They had been close friends, he said, but now it was "jihad." In 1991, Heyward and Saban reached a settlement, but they didn't speak for the next decade. When Heyward's mother died, however, Saban wrote him a note, and they met for tacos. Since then, Saban has donated to Heyward's favorite charities, and invited him on yacht cruises in the Mediterranean and to spend the Christmas holidays at his estate in Acapulco.

Because of the early deals Saban struck with Heyward, Saban made his first real money—and he and his heirs will likely be collecting millions in music-publishing payments for decades to come. "I have known Haim from the most ruthless and anything-goes guy in business to the biggest heart imaginable, and all points in between," Heyward told me. "He's loyal and generous to his friends, but in business he is deadly. If you took all Haim's money away and took him to a Casbah, gave him some rugs and said, 'Stay here'—a year later he'd have a billion dollars."

Saban eventually began trying to produce shows himself. In 1985, he returned from a trip to Japan with live-action footage in which five teen-agers become superheroes by donning spandex suits. Shuki Levy wrote a screenplay and directed a short, titled "Bio-Man," which combined American and Japanese film. "For years, Haim walked around with this cassette, and the general reaction was 'This is the worst thing we've ever seen,' " Levy said.

But in the early nineties Margaret Loesch, a veteran producer of children's programming who was heading the Fox Kids Network, visited Saban's office, looking for a new series. "I said, I want something adventurous, fun, silly," she recalled. "It was like a light bulb went on in his eyes and he ran down the hallway. Two minutes later, he scooted back, holding out this cassette. 'Darling, everybody thinks I'm crazy, but look at this!'" "

Loesch loved “Bio-Man,” and eventually prevailed over network executives who worried about the series’ production quality and its violence. In 1993, “Mighty Morphin Power Rangers” became an overnight hit. In Saban’s hands, the series—reviled by critics but adored by young boys—became fodder for something bigger. “Haim was one of the original guys who understood how to create a franchise, built off one of these TV shows, into a merchandising tsunami,” Jeffrey Katzenberg, who was the chairman of the Walt Disney Studios at the time, said.

Following the success of “Power Rangers,” Saban and Cheryl bought the four-acre parcel in Beverly Park. Saban had long been a notorious playboy; Cheryl told me that when she came to work for him as his assistant, in 1986, he was dating thirty-nine women. (She later made him a photo album of many of them.) He and Cheryl married in 1987. She had two teen-age daughters, whom Saban eventually adopted, and they have two children of their own. Although Cheryl has not converted to Judaism, they are raising their children as Jews.

After two years of construction, Matthew Krane recalled, he met Saban for a tour of the house. Krane had left the Pollock firm in 1992, and was working from his house in the Hollywood Hills. Saban was his biggest client, and Krane had become Saban’s trusted financial and legal adviser, involved in structuring and implementing major transactions; later, he also became the co-executor of Saban’s estate. Krane had seen the house as it took shape, but he was dazzled as Saban led him from room to room. Saban seemed to have some trouble finding his way around, and after he discovered a back stairway for the first time he turned toward Krane, gave a shrug, and said, “Five retards in spandex.”

Margaret Loesch, Saban’s strongest advocate at Fox, had long argued that News Corp. should acquire Saban’s company because of his expertise in international distribution. But Saban wanted to merge with Fox Kids. “Haim saw that ‘Power Rangers’ wasn’t going to go on forever, and the key to our business was controlling broadcast outlets so we could get our programming on,” Mel Woods, who had left D.I.C. in 1991 to become the president of Saban Entertainment, told me. Moreover, News Corp., with its financial resources and its distribution capacity, could provide Saban with access to tremendously expanded opportunities. “Haim spent over a year working on that,” Woods went on. “He is the most persistent, patient man. They wanted to buy it, but he knew if he could get this joint venture done the sky was the limit.”

“I wouldn’t move an inch,” Saban recalled. “Rupert’s proposal was to give me time slots, to buy the company, and I said no, no, no, forget about this. Partners! Partners! ‘Partners’ means I am now co-owner with Rupert of the network. And that was unfathomable to him.”

Stanley Shuman, a merchant banker at Allen & Co., was a member of News Corp.’s board of directors and a longtime adviser to Murdoch; here, however, with Murdoch’s permission, he was representing Saban. Shuman, a major contributor to the Democratic Party, also arranged for Saban to meet Bill Clinton at one of the famous White House coffees organized by the Democratic National Committee. Saban later said that he felt a visceral connection with the President.

“When Haim first got to know Clinton, his issue was censorship as it affects TV, because there was a lot of outrage about ‘Power Rangers,’ ” Shuman said. “It was obviously helpful to Haim to have someone he could talk to in the White House.” Saban became a fervent Clinton supporter. In 1998, he hosted a dinner at his home that raised a million and a half dollars for the D.N.C, not long before Clinton was impeached. Referring to the Clinton prosecutor, Kenneth Starr, Saban told his guests, “Starr should be tried for treason!”

The turning point with Murdoch came when he asked Loesch if she could imitate Saban’s international-distribution structure, and Loesch said it would take her three to five years. Murdoch didn’t want to wait that long. But, just before signing the deal making Saban his partner, he summoned Loesch to his office in Beverly Hills. “Rupert said, ‘I have one question. Can I trust Haim Saban?’ ” Loesch recalled. “And I said, ‘He will never stab you in the back.’ ”

Months after the creation of the joint venture, Fox Kids Worldwide, Saban spoke with Loesch and Chase Carey, the C.E.O. and chairman of Fox Television, about the importance of acquiring a cable outlet in order to compete with stations like Nickelodeon and the Cartoon Network. He thought that Pat Robertson, who along with shareholders owned the Family Channel, might be open to a partnership. When Carey volunteered that Murdoch was meeting with Robertson shortly, on another matter, Saban asked if he could join them. He imitated Carey’s response. “ ‘Oh, no,’ ” Saban said, laughing. “Cartoon salesman, cacka! O.K., no problem.”

After Murdoch and Robertson had several meetings, Carey told Saban the idea was dead. “I said, ‘Do me a favor, come to a dinner with Tim Robertson’—the son, who was running the channel on a day-to-day basis—‘and let me do the talking,’ ” Saban told me. “I give Tim a whole speech about a joint venture. ‘We will program daytime kids, you program prime time. You have difficulty accessing content—but Fox is going to give you gold! A truckload of beautiful movies, sitcoms, and dramas! You’ll kill everybody else, you’ll be No. 1!’ Chase looks at me, like, ‘What are you talking about our programs, who are you, you fucking piece of shit, you’re giving away our programming?’ ” Robertson agreed to start negotiating.

What started as a joint-venture negotiation ended with a proposed acquisition—Fox Kids Worldwide would buy Pat Robertson’s International Family Entertainment for about \$1.9 billion. After the deal closed, Saban stripped Loesch of her operating authority, and she left the company. She had been excitedly planning the programming for the new network. “It was heartbreaking,” she said. Even today, more than a decade later, she still seems baffled by it. “I felt my role was to fight for what was right for Fox Kids,” she said. “I kept arguing with him, as I had before, and when he wanted to put some of his shows on I said no. Because the quality wasn’t there. It didn’t occur to me not to do that.”

Woods stated plainly why Saban pushed Loesch out: “If you have a choice between putting a program on the air that will get the best rating, and one that

you own ninety per cent of, Haim—businessman that he is—is going to go with the one where he owns ninety per cent. Margaret always put the programming first, which is a wonderful thing and to her credit. But, in a power struggle, business is going to prevail.”

After Loesch’s departure, however, the Family Channel’s ratings plummeted. “We had expected that Haim would construct a schedule where it would have a bigger impact, bigger ratings,” Rupert Murdoch told me. In the fall of 1999, Fox had to lend Fox Family a hundred and twenty-five million dollars. And a year later, at Fox Entertainment’s annual shareholders’ meeting, Murdoch expressed his “frustration and disappointment” with Fox Family and its ratings.

For Saban, it was time to get out. His 1995 Fox Kids contract had a provision that gave him the right to sell his 49.5per-cent share in the company to Fox, for cash, in five years. The potential value of Saban’s share had increased dramatically with the acquisition of the Family Channel, and in December, 2000, he exercised his right. “We were shocked,” Murdoch said. “We never had any arguments on the business side at all. Actually, it was a very happy relationship.” He and his Fox colleagues thought the contractual provision Saban had inserted “was just a safety thing he put in if he didn’t get on with us.” He continued, “We were disappointed, because we thought he was sort of committed to it for life.” Moreover, he said, when Saban told them what he thought the company was worth, “we said, you’ve gotta be joking!”

The next several months were acrimonious, and negotiations dragged on. Finally, to resolve the stalemate, Murdoch and Saban agreed to find a third-party buyer.

Saban was pursuing the deal of his life, but, congenitally fond of misdirection, he portrays himself as the one being pursued. “We had an emotional buyer that was chasing me, in Disney,” he said. Michael Eisner had a different recollection. “Want to know the truth?” he asked. Saban had enlisted a Disney director and major shareholder, Stanley Gold, to pressure Eisner to acquire the network, and while he found it enticing, he hesitated, wary of the price he would have to pay. (Saban says that Gold approached him on Disney’s behalf.) But at a meeting with Murdoch and Saban, at Allen & Co.’s annual Sun Valley investment retreat, Eisner was convinced that he might lose the company if he failed to act. “We did a really good job of positioning this as a deal with a multitude of suitors,” said Peter Chernin, the president of News Corp. at the time. In fact, the only other prospective bidder was Viacom, whose C.O.O., Mel Karmazin, was also at the Sun Valley conference, and he mentioned a price so low that it was immaterial. “There was no one else, not even close,” Carey said flatly.

The next day, Eisner agreed to pay \$5.3 billion (including more than two billion dollars of debt) for the company—about a billion dollars more than News Corp. executives had believed it would bring. “Haim was in command—it was Haim’s price,” Stan Shuman said.

The financial press concluded that Eisner had overpaid. (Eisner felt that he had, too, by eight or nine hundred million dollars.) And the transaction proceeded

under strain; after September 11, 2001, Disney threatened to back out of the deal, and at one point News Corp.'s general counsel, Arthur Siskind, tried to remove Saban from the negotiations, believing that he was too unpredictable. Saban later told Andy Heyward that he said to Siskind's message-bearer, "You tell that fucking guy to stay out of my face! I was driving a fucking tank in the Israeli Army on the Golan Heights when he was watching 'Scooby-Doo'!"

Saban continued to lead the negotiations, and his high-level relationships proved invaluable. Because Disney and Fox Family operated internationally, the deal required regulatory approvals from many countries. "Brazil could have been a deal-breaker," Chernin recalled. In a confidential memorandum written on October 1st, Fox Family's attorneys in Brazil explained that the deal would have to be reviewed successively by three government bodies; from past experience, the attorneys estimated that the process would take between six and eight months, which would push the deal past the deadline, at the end of October. Disney refused to close without Brazilian approval. Both sides retained counsel for the anticipated litigation.

"Haim said, 'Let me make a phone call—maybe I can get something done here,' " Chernin told me. "He was extremely helpful in getting Clinton to help. Clinton called the President of Brazil." Matt Krane recalled how Saban described to him what had happened: "Saban had called the Fox Family attorney in Brazil and asked, 'How long will it take?' It was months. He said he asked the lawyer, 'Who is your finance minister?' The attorney understood, and he said, 'There is no political pull available in this process.' Saban called Bill Clinton and asked, 'Can you help me?' " Soon afterward, the approval came through.

On October 24, 2001, the Disney-Fox Family deal closed. About a month later, Krane says, Saban gave him the task of devising a tax strategy for a donation of ten million dollars to the D.N.C., toward the construction of its new headquarters. "Of course, you can't get a deduction for a political contribution," Krane said. "Our mission was to structure it so he could get a tax benefit. So I got heavily involved, and worked a lot with D.N.C. lawyers to do it." Via e-mail, Krane and the lawyers discussed possible real-estate strategies. "It started to become clear that any plan was too difficult to implement," Krane told me. In January, 2002, the resolution was that Saban reduced his donation from ten million to seven million.

Terry McAuliffe, who was then the chairman of the D.N.C., says that Saban had first voiced his commitment at a party held at the Clintons' Washington home in June of 2001, after McAuliffe made a presentation about the deplorable financial state of the Democratic Party. "Haim said, 'I'll commit up to ten million.' " It was not until January, 2002, that they met in a hotel room and negotiated the final amount. "He said four, I said I want the whole ten, then he got to six, then I said, 'O.K., cut me a check for seven million in five days, and we got a deal.' " McAuliffe says that D.N.C. lawyers were not involved in any tax-benefit planning. "All I can tell you is there is no lawyer at the D.N.C. who would have that conversation," he said. "That would be a felony."

In March, 2002, Democratic Party officials disclosed that Saban, who had been named chairman of the Party's capital-expenditure campaign, had written a check for seven million dollars to the "DNC Building Fund." He had become the Party's largest single donor. In an interview in the *New York Times* on March 21st, Saban explained how he had arrived at the figure: "We have two numbers in the Jewish belief that are lucky numbers—one is 18, and the other is 7. I thought 18 was kind of too high, so I went with 7." He added, "I just felt compelled to do what I can."

When the Fox Family deal closed, Saban instantly became one and a half billion dollars richer. His life had changed radically, but some things remained the same. When he became a partner in Fox Kids, a deal in which the Allen & Co. banker Stan Shuman had represented him, Saban insisted that Murdoch should pay part of Shuman's fee, much to Murdoch's displeasure. Allen & Co. eventually accepted one per cent of the merged entity's stock, in lieu of a cash fee. (Saban denies that there was any disagreement with Fox.) Now, with the Disney deal, he didn't want to pay twelve million dollars in fees and other costs that his investment bankers at Morgan Stanley said he owed. They sued; Saban settled on the eve of trial, and says he paid them eleven million dollars.

Even a closer associate was left feeling shortchanged. Shuki Levy, Saban's decades-long partner, had received a payout on the Fox Family deal, as had other insiders who owned shares in Saban's privately held company. But Levy, who had never had a written contract, felt that he was owed more, and demanded what he thought was his rightful share. Saban paid Levy an additional eleven million dollars. "I owed him, contractually and morally, nothing," Saban said, adding that he paid him "out of compassion." The two no longer speak.

But the biggest bill by far that Saban didn't want to pay was the government's. In late December, 2000, after Saban had exercised his right to sell his share of Fox Family, Matt Krane said that he received a call from him. "He said, 'Let me ask a question. What are we doing on taxes on the sale?'"

"I said, 'We're going to pay the capital-gains tax, like we always discussed.'

" 'What is it?'"

" 'Like, twenty-seven per cent state and federal, combined.'"

" 'Are you fucking kidding me? Are you fucking crazy?' He was shouting, 'I'm not paying that!' "

Saban denies Krane's account of their conversation. "This is a man where we went through seven audits, and all came in 'No change.' So I looked at him as a genius of the century. And he always took the lead in setting up structures that were absolutely legal and tax-efficient. And all I asked him to do was this time, too, please do the same."

Krane said that he had previously solved every problem Saban had presented, carrying out "very aggressive" tax planning, but he had always tried to design

transactions ahead of time to avoid taxes. Here the only recourse was a tax shelter.

As Krane began to explore the tax-shelter world, he learned that major accounting and investment-banking firms—including K.P.M.G., Goldman Sachs, Merrill Lynch, and many others—were involved in creating tax-shelter products. He selected one that was developed by the Quellos Group, a financial boutique based in Seattle; he integrated this shelter with a tax plan of his own, and, with the combination, made it possible for Saban to pay no taxes on his \$1.5-billion gain.

Krane's life, meanwhile, had started to unravel. In 2000, he had reorganized Saban's business structure, a mammoth task that required intense focus, and he began taking drugs to prolong his concentration. Over the years, Saban had retained many lawyers from major firms, paying them the customary high fees. But Krane—who had been entrusted with Saban's most sensitive information—charged him a low hourly rate (at most, he says, two hundred and seventy-five dollars), and occasionally received a bonus. Krane says he was convinced that Saban would not pay him a market rate for the tax plan, so he decided to negotiate his fee with Quellos, without Saban's knowledge. Saban agreed to pay Quellos fifty-four million dollars, and Quellos secretly paid Krane thirty-six million dollars. Krane arranged for the money to be wired to an Austrian bank account. He did not pay taxes on it—something he describes today as “crazy and stupid.”

By mid-2002, Krane had developed an addiction, and in early 2003 he stopped advising Saban. In January, 2005, Krane said, Charles Wilk, the Quellos executive with whom he had worked, called to tell him that during questioning by Saban's lawyers, who were responding to a tax investigation, he had divulged the fact that Krane had received money. Several months later, Krane said, Saban left a message on his answering machine, saying, “ ‘Please call me. I don't have a problem, you have a problem.’ ”

“I thought there was a remote chance he would go to extremes,” Krane said. He never returned the call. “I shut my gate.”

After years of relying on Krane's knowledge of byzantine tax law, Saban began to cast himself as the victim of an unscrupulous adviser. The Senate Permanent Subcommittee on Investigations, which had published a report on tax evasion by the super-rich, through offshore tax havens, found that Quellos's plan was based on fake securities transactions, to generate fake losses, which would offset real taxable capital gains. In August, 2006, Saban, who said that he would be paying back taxes, interest, and penalties, testified before the subcommittee. He invoked Krane repeatedly. In his prepared statement, he said that he had “consulted my trusted tax and legal adviser, whose advice I have followed for fifteen years.” He also said, “I am neither a lawyer nor an accountant. In fact, my formal education ended when I finished high school.”

Senator Carl Levin pointed out that Saban had been informed that he could pay “in the ballpark of fifty million” to obtain a capital loss to offset his gain of one

and a half billion dollars. "Now, you are a businessman," Levin continued. "Did that not raise alarm bells in your head?"

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"It did," Saban replied, "which is why I asked my adviser, who has been by my side for fifteen years, is this completely kosher—i.e., legal? And would a reputable law firm say so? And the man who was with me for fifteen years assured me that this is the case." In his interview with subcommittee investigators a couple of weeks earlier, Saban had said, "You have before you a very disappointed person, who feels misled, lied to, cheated."

In 2006, the U.S. Attorney's Office in Seattle opened an investigation of Quellos. Krane's house was searched; investigators found a false passport and a copy of a false-passport application, and, in July, 2008, Krane was arrested and charged with aggravated identity theft, and with making false statements in a passport application. Last June, the Quellos executives Jeffrey Greenstein and Charles Wilk were indicted in Seattle for tax fraud. (They pleaded not guilty.) Krane was indicted for money laundering and, later, for tax evasion. He spent nearly a year and a half in jail in Los Angeles. Krane finally obtained release on bail last December, when he agreed to plead guilty to one count of tax evasion and false-passport application, and to cooperate with the government. The money-laundering charge and the identity-theft charge will be dropped upon sentencing.

In November, 2008, Saban sued Krane in Austria to recover the thirty-six million dollars, which both Saban and the government have characterized as a "kickback." Mel Woods, who is now retired, but occasionally does consulting for Saban, castigated Krane for arranging to receive the thirty-six million dollars secretly. But, he went on, "Matt and Haim and I were a team. Matt would never have put Haim in a plan he thought was bad. You never know with a tax plan." Woods had been an accountant at Arthur Young early in his career. At the time

Krane selected the Quellos shelter, Woods said, “there were a lot of plans around—like K.P.M.G., others—that turned out to be bad.

“I love Matt Krane,” Woods went on. “He’s wicked smart, funny, and the best tax guy I’ve ever known.” As for the way his life had disintegrated, even before he went to jail, “Matt was never too tethered to the ground.”

Last July, in a response to Saban’s suit over the thirty-six million dollars, Krane sued Saban in Los Angeles Superior Court, with a complaint that read, in part, “Despite being one of the richest men in the world, Haim Saban, believing he is above the law, has spent decades trying to avoid paying taxes on the many billions of dollars in income he has received, evidencing little restraint in his conduct other than seeking a convenient scapegoat.” (William Schwartz, one of Saban’s lawyers, says, “Matt Krane was a lawyer and adviser whom Mr. Saban trusted completely and on whom he relied in matters of great importance. Mr. Krane exploited their relationship to defraud Mr. Saban of tens of millions of dollars. Mr. Saban feels deeply saddened and betrayed by that breach of trust.”)

Last fall, when I met with Krane at the Metropolitan Detention Center in downtown Los Angeles, he told me, “I have this fantasy that, if I could only see Haim and talk to him directly, I would say, ‘Haim! Whatever I did, I learned from you.’ And he would look at me, and then he’d say, ‘Oh. I understand.’ ”

In the fall of 2001, fortune in hand, Saban established a private investment fund, Saban Capital Group, and set out to become a serious player in the media business—Part 3 of his formula for political power-brokering. Jonathan Nelson, the C.E.O. of Providence Equity Partners, a major private-equity firm, met Saban in 2003, when they invested together in ProSiebenSat.1, a group of four German television networks. Nelson told me that one of his partners said, “You’ll either love Haim or you won’t.” Along with several other investors, Nelson and Saban acquired ProSiebenSat.1, and sold the company profitably four years later. “ProSieben was nine time zones away from Haim’s office, and he was into the details there on endless conference calls with management,” Nelson said. “He works harder than any thirty-year-old I know.” Not everyone was so impressed. A financial adviser who took part in discussions on how to neutralize a potentially destructive party in the deal recalled, “Haim’s strategy was ‘I’m gonna make their lives miserable until they beg me to take them out of this deal.’ But that’s not a strategy.”

Nelson and Saban teamed up again in their acquisition of Univision, in 2007. As Saban and his partners were assessing a bid, Saban enlisted Lindsay Gardner, who was an executive at News Corp. at the time, and whom Saban had worked with at Fox Family, to assist in the evaluation of Univision. At one point, Gardner recalled, Saban asked him to participate in a conference call with Univision executives; Gardner protested that he couldn’t, because the executives knew him and would view him as having a conflict. Saban suggested that they not give Gardner’s name. “ ‘But they’ll recognize my voice,’ I told Haim,” Gardner said. “And he said, ‘Then put a napkin over the phone, talk through a napkin.’ ” Gardner declined. (Saban says that he doesn’t recall its happening this way.)

Ultimately, the Saban group purchased Univision for a high price, assuming ten billion dollars of debt, near the height of the market. Since then, Univision, like most media companies, has seen its advertising revenues plunge. It also became engaged in a high-stakes legal battle with the Mexican media giant Televisa over the rights to telenovelas, the serialized programs popular with Hispanic audiences in the U.S. In January, 2009, after a forty-hour negotiation led by Saban on the Univision side, a settlement was reached in which Televisa would continue to supply Univision through 2017. And last summer Univision achieved another coup, getting cable- and satellite-TV operators to pay monthly retransmission fees to carry its programming; Saban says that he led those negotiations, too.

Saban has made a point of cultivating celebrity. At Univision's Upfront event in 2008, the singer Shakira, onstage, declared, "I want to give a big thank-you to Haim Saban!" His business associates were impressed. Shakira told me that she was introduced to Saban several years ago, and they became friends. He joined the board of the Barefoot Foundation, which she started, to focus on universal access to high-quality education for children. "He's a great guy!" Shakira said. "Many people know him through his accomplishments, but not everybody knows this other part in him—his social awareness, his commitment to the underprivileged, how compassionate he is, and, really, how passionate he is." She continued, "He calls me Hermanita. It is 'Little Sister.' "

In targeting media properties, Saban frankly acknowledges his political agenda. He has tried repeatedly to buy the Los Angeles *Times*, because, he said, "I thought it was time that it turn from a pro-Palestinian paper into a balanced paper." He went on, "During the period of the second intifada, Jews were being killed every day over there, and this paper was publishing images of a Palestinian woman sitting with her dead child, and, on the Israeli side, a destroyed house. I got sick of it." Saban said he tried to buy the paper in 2007 but lost to Sam Zell, who purchased the Tribune Company, including the L.A. *Times*. In early 2008, he says that he tried to buy the paper from Zell but that Zell wanted more than he was willing to pay. After the Tribune Company went into bankruptcy, in 2009, Saban said he informed the creditors of his interest. "They're not going to do anything until they get out of bankruptcy. So am I still interested in the L.A. *Times*? I am, yeah, I am," he said. Saban also said that he asked the New York investor Steven Rattner to let the Sulzbergers know that he would like to buy the New York *Times*, but Rattner told him they weren't interested. "What's it worth now, the whole thing—a billion dollars?" Saban said dismissively. "But it's a family legacy or something, I don't know." If the Sulzbergers were to change their minds, he said, "I would be jumping all over it."

As Saban has said, "I'm a one-issue guy, and my issue is Israel." When Bill Clinton was President and Ehud Barak was Israel's Prime Minister, Saban, who was close to both men, says that occasionally he provided a back channel for communications. In July of 2000, shortly before the start of the Camp David negotiations, Israel's planned two-hundred-and-fifty-million-dollar sale of an airborne radar system to China—furiously opposed by many at the Pentagon and

in Congress—threatened to derail congressional support for a peace deal. Saban said, “I just called Ehud and told him, ‘In the middle of this peace thing, it’s impossible for Israel to do things that are perceived in the U.S. as against the interests of the U.S. I understand the financial aspect, I understand that it may not be really a security concern for the U.S.—it doesn’t matter. There’s a much bigger picture here, and you really should seriously consider.’ ” Barak suspended the sale. “How much impact my call had, I have no idea,” Saban added. During Camp David, he continued, “I was involved, but only on the periphery. If Barak could not say some things to Clinton to his face, he would ask me to convey a message, and vice versa.” At one point during the negotiations, Clinton, accompanied by his national-security adviser, Sandy Berger, had to go to Japan. “When they came back, I spoke to Sandy Berger, and gave him my two cents about dealing with issues. ‘Is that really super-important?’ ‘Well, why can’t Arafat give up on that?’ ” He laughed. “The usual!”

Immediately after the Fox Family-Disney deal closed, in 2001, Saban called Martin Indyk, who had been a U.S. Ambassador to Israel during the Clinton Administration. When they met in New York about a week later, Indyk recalled, “Haim said, ‘I’ve made all this money; I’m giving ten million to the D.N.C., and I want to set up a think tank. I think we really have to resolve the Arab-Israel conflict. These terrorists give me a *potch* in the *panim*, but I still think it’s important for Israel’s future to achieve peace.’ ” Indyk advised him to make a donation to the Washington Institute for Near East Policy, but Saban said, “ ‘You don’t understand. I want my own.’ ”

Indyk was at the Brookings Institution at the time, and he suggested that Saban set up a center there. “What’s Brookings?” Saban wanted to know. “We invited him here for lunch,” Indyk went on. “I showed him the wood-panelled rooms, the portrait of Robert Brookings. He turned and said to me, ‘We’ll do it here.’ ” Not all of the Brookings board members supported the idea. One told me that Brookings donors care about Brookings, and Saban seemed to care only about finding a location for his center. Moreover, Brookings is a non-ideological public-policy institute, dedicated to nurturing American democracy. Saban is unabashedly pro-Israel and, according to people who work with him, harbors a wariness of Arabs that may stem from growing up as a Jew in Egypt; he first returned to an Arab country in 2004, when he went to Qatar with Bill Clinton and the Secret Service. But Saban’s gift was then the largest in Brookings’s history: thirteen million dollars, distributed over seven years. And so, in 2002, the Saban Center for Middle East Policy was established.

Such a sizable gift was not out of character. Saban and his wife, who heads the Saban Family Foundation, have made many substantial charitable contributions to institutions and causes here and in Israel. Cheryl has said, “I can’t give it away fast enough.” Their initiatives include, in Israel, the Saban Children’s Hospital at the Soroka University Medical Center, in Be’er Sheva, where, Saban says, sixty per cent of the patients are Bedouin Arabs, and, in Los Angeles, the Saban Research Institute at Childrens Hospital; the Saban Center for Health and Wellness, on the Wasserman campus of the Motion Picture & Television Fund;

the newly opened Saban Theatre, on Wilshire Boulevard; and the Saban Free Clinic, formerly known as the L.A. Free Clinic. “Many people in the community were offended about the name change,” a member of the clinic’s board of directors told me, adding that the clinic desperately needed the Sabans’ gift—two million dollars a year, for five years. “It would have been much better if we could have put the Saban name on part of the building,” the member said, but the board was told, “No.” (Saban says that the disagreement was never brought to his attention.)

A couple of years after the Saban Center was founded, Indyk, knowing that Saban was eager for more visibility, proposed creating a U.S.-Israel dialogue—to be known as the Saban Forum—which would attract high-level government officials and be held in Jerusalem one year, Washington the next. This dovetailed with the decision Saban had just made, in the spring of 2004, to start investing in Israel. “The Saban Forum provided him a very high profile in the business community, and an avenue for intercourse with high-level Israeli politicians,” an Israeli who has worked on the event for several years told me. “It gives Haim such an aura of power.”

At the conference in Jerusalem last November, at the King David Hotel, blue flags with “Saban Forum,” in English and in Hebrew, were ubiquitous. A huge display of Saban Forum logos was placed behind the podium, where Bibi Netanyahu, Bill Clinton, and Arnold Schwarzenegger (a surprise guest, to add the “pizzazz” that Saban loves) were to speak on opening night; in the days before the event, Saban had examined all angles for the TV cameras, to be sure the logos would be prominent from any direction. He had plotted the logistics of the opening ceremony, he said, “like a military operation.” But Clinton arrived late, and then got into an extended conversation with Netanyahu, who was seated beside him. When Saban interrupted them to say that the program had to start, a Clinton aide told him that it was improper to disrupt a conversation between two heads of state. Saban laughed as he recounted this. “I said, ‘Oh! But this is the Saban Forum. I have to make it happen. It is my name on the door.’ ”

In recent years, Saban has approached the acquisition of social and political power as strategically as he had his business career. The Clintons have been essential to this pursuit. “For nearly two decades, Haim has been a good friend, a loyal supporter, and a trusted adviser to Hillary and me,” Bill Clinton said recently. “He made his riches the old-fashioned way—he earned them—and he’s devoted his life to sharing it with others and advancing good causes in America and around the world.” He added, “He is a fascinating, generous, and profoundly good man, and I’m glad to count him among my closest friends.” Saban said that he begged Hillary to run for President in 2004, and that he began making lists of prospective donors even before she declared her candidacy, in 2007. “I was so committed to Hillary becoming President, with my whole *neshamah*,” Saban said. “I put my heart and soul into this campaign.”

Bill Clinton stayed at Saban’s home during the primaries, and they sometimes travelled together to Hillary’s campaign events. On occasion, Saban offered

advice. At the behest of his friend Roger Ailes, Saban tried to persuade Hillary to announce that she would debate any of the Democratic-primary contenders on Fox News. “Why? Because Fox News delivers more eyeballs than CNN, MSNBC, and CNBC combined,” Saban, who watches Fox regularly, said. “What is this about banning them?” But, he continued, “Hillary said, ‘No, I’m not going to do it.’ My own opinion is that she didn’t want to break the party line, because there was a consensus amongst everybody not to go on Fox News. I thought it was a mistake.”

According to Saban, in June, 2008, after the primary battles finally ended, Barack Obama called and asked for his help. “I said to him, Let me coördinate a meeting between you and some of the people who supported Hillary through me. We have a few things we need to clarify.”

For example, Saban continued, “Obama was asked the same question Hillary was asked—‘If Iran nukes Israel, what would be your reaction?’ Hillary said, ‘We will obliterate them.’ We . . . will . . . obliterate . . . them. Four words, it’s simple to understand. Obama said only three words. He would ‘take appropriate action.’ I don’t know what that means. A rogue state that is supporting killing our men and women in Iraq; that is a supporter of Hezbollah, which killed more Americans than any other terrorist organization; that is a supporter of Hamas, which shot twelve thousand rockets at Israel—that rogue state nukes a member of the United Nations, and we’re going to ‘take appropriate action’! ” His voice grew louder. “I need to understand what that means. So I had a list of questions like that. And Chicago”—Obama campaign headquarters—“could not organize that meeting. ‘Schedule, heavy schedule.’ I was ready and willing to be helpful, but ‘helpful’ is not to write a check for two thousand three hundred dollars. It’s to raise millions, which I am fully capable of doing. But Chicago wasn’t able to deliver the meeting, so I couldn’t get on board.”

Saban offered to fly his group of Hillary supporters to meet with Obama anywhere in the country, but he was told that it couldn’t be arranged. “Haim understands message—Obama didn’t have time for him,” a close adviser said. “After that, he met with McCain. It went that far. But, ultimately, he felt he could not abandon the Democratic Party, even though he did not like its candidate.”

He has not spoken with Obama since he became President, Saban said, “because he has no need to speak to me—or, at least, he thinks he has no need to.” He has refused on two occasions to co-chair fund-raising dinners for the President.

Saban called Hillary’s defeat “my biggest loss—and not only mine. I’ll leave it at that.”

In early March, shortly before Vice-President Joe Biden visited Israel, he invited a group of prominent Jews to the Vice-President’s residence. Most were leaders of Jewish organizations or close Biden supporters—and then there was Saban. It was his first invitation from the Obama White House.

In the meeting, Saban said that the Administration “may want to consider the fact that their relationship with their Israeli wife is more valuable than their newfound relationship with their Arab mistresses.” (Later, he said, “Everybody laughed! No one says things like that in such meetings.”) He exhorted Biden to reassure the Israeli people that the Administration considers the bond between the two countries unbreakable—and he advised that Biden do so at about eight in the evening, on Channel 2, in order to reach the maximum number of Israelis. And, airing a grievance he had been nursing ever since the President’s Cairo speech, last June, Saban insisted that Biden correct what he considered to be Obama’s cardinal error—the implication that Israel’s creation was justified by the Holocaust, rather than by millennia of Jewish history. Dan Shapiro, a member of the White House Middle East team who had worked on the Cairo speech, interjected that the speech did not say that, but Saban disagreed. After the meeting broke up, one participant recalled, Saban animatedly told Shapiro that Obama had made his career—becoming President and a Nobel Prize winner—by the power of his speeches, so he ought to be aware of the importance of language.

In public, Saban has been diplomatic about Obama. In one of the sessions at the Saban Forum last November, when Dan Gillerman, the former Israeli Ambassador to the United Nations, commented that President Obama, in effect, appeared weak and incompetent, Saban retorted that it was too early to make such judgments. Gillerman was initially surprised by the rebuke, since he knew that Saban agreed with him. Saban later said, laughing, “Danny stumbled! I had to straighten him! My name is on the door!” Still, he remains concerned that Obama is not fully committed to Israel. At the Forum, he repeated something that he had been saying, heatedly, for months—that Obama’s first call, after his Inauguration, was to the Palestinian President Mahmoud Abbas, known as Abu Mazen. Deputy Secretary of State James Steinberg told Saban that was not the case. Later, when asked where he had got the misinformation, Saban said, “I thought I had read this somewhere. One thing is for sure—he called Abu Mazen before he called the Israelis.” (In fact, the White House says the order of calls was Hosni Mubarak, the President of Egypt; Ehud Olmert, who was then the Prime Minister of Israel; and Abbas.)

The crisis in U.S.-Israel relations that followed Biden’s trip, when Israel announced its construction plans in East Jerusalem, seems only to have hardened Saban’s view of Obama. “I don’t think Haim feels particularly positive about Bibi’s performance,” Saban’s close adviser said. “But he certainly isn’t happy about Obama’s.” “I’m hoping that the White House’s brilliance will surprise us all,” Saban told me. “But I believe in my heart of hearts that the chances of success are much bigger if they work with Israel rather than against it.” Saban pointed out that, in the late nineties, President Clinton had pushed Netanyahu very hard, but behind closed doors. “Bill Clinton somehow managed to be revered and adored by both the Palestinians and the Israelis,” he said. “Obama has managed to be looked at suspiciously by both. It’s not too late to fix that.”

He pointed to news reports that the Obama Administration is considering presenting a peace plan. Assuming, for the sake of argument, that both Netanyahu and Abbas were to sign it, he continued, Netanyahu might still have to bring it to a referendum for approval. "Any deal that is pushed by the U.S. with Obama at a nine-per-cent approval rating in Israel, at the moment, will not go through," he said. Last August, when Saban was in Washington, he met with both Hillary Clinton and Rahm Emanuel, and he argued that Obama should travel to Israel to speak to the Israeli people. That has been his continuing message. "I told friends of mine in the White House, 'He goes to Saudi Arabia, he goes to Cairo, he doesn't even make a stop in Jerusalem?' If he thinks that having a Seder at the White House is going to mitigate that—no, it's not."

Hillary Clinton, in her role as Secretary of State, has taken a stern line "condemning" the construction plans, and upbraiding Netanyahu. But Saban—who likes to describe Hillary as a "team player"—remains protective of her. Before Hillary addressed the *aipac* conference on March 22nd, he urged the organization's leaders to be sure that the convention crowd treated Hillary well. Dan Gillerman, who came from Israel to attend the *aipac* meeting, said that, at a Washington dinner for Netanyahu, following Hillary Clinton's speech, "there were many people, including some prominent Jewish leaders, who were very surprised and even disappointed at the warm reception Hillary received, because they felt that after the way she treated the Prime Minister, and the way she admonished him for forty-three minutes on the phone, she should have felt the coldness in the rGillerman added, "No sooner had she said her last syllable than I got an e-mail from Haim, saying, 'How was Hillary's speech?' " Saban had listened to it in Los Angeles, and "it was very important to him what we felt about her."

Many Israelis seem amazed at Saban's many successes, most recently with Bezeq, the Israeli telecommunications company, which Saban and his partners won in a bidding process when the company was privatized, four and a half years ago, and reached an agreement to sell last fall. The sale, which closed in mid-April, was one of the most profitable transactions in recent Israeli history. "Bezeq was unbelievable," Yehuda Talit said. "I don't want to mention a specific situation. But let me just say that from time to time Haim wants to do something—and, say, seven on the board want to say no, and one wants to say yes. On the day they will sign the contract, eight will say yes. Haim knows how to reach each one and influence them his way."

But, mostly, Israelis marvel at his perceived political power in the U.S. When Israeli government officials visit Los Angeles, they nearly always call on Saban. In February, Michael Oren, the Israeli Ambassador to the U.S., was in town, and Saban invited him over for dinner; Antonio Villaraigosa, the mayor of Los Angeles, and Schwarzenegger came, too. Kobi Oshrat, who was Israel's cultural attaché in Los Angeles from 2000 to 2004, was a frequent guest at Saban's Shabbat dinners. "I met so many senators and congresspeople at Haim's home," Oshrat said. When Gray Davis, who was the governor of California at the time, said that he might be late for a planned appearance at Israel's annual Independence Day celebration in Los Angeles, to sign an agreement creating a

cultural exchange between Israel and the state of California, Oshrat called Saban. The next day, Saban told Oshrat, "The Governor is going to be there, and he will be there before the guests." (Davis arrived on time, as promised.) According to an Israeli official, Saban also helped persuade Governor Schwarzenegger to produce a letter in support of Israel during its Gaza war last year.

During the Forum, Noam Shalit, the father of the kidnapped Israeli soldier Gilad Shalit, who has been held by Hamas since June, 2006, requested an audience with Saban. He said he had heard that the Obama Administration might view a deal with Hamas to release Gilad as something that would weaken Mahmoud Abbas; he wanted Saban to speak to Hillary Clinton, and persuade her otherwise.

Several days before the opening of the Forum, Saban appeared on the Israeli "Meet the Press," on Channel 2, which is owned by Keshet. Until a year earlier, Saban had been one of the owners of Keshet. The interviewer, Dana Weiss, warmly told Saban, "You really are our rich uncle in America, and we can rely on you." Still, she noted that he had wanted to become the largest donor to the Democratic Party, and pointed out that, in Israel, "businesspeople's desire for access to the political system immediately raises our suspicions." Surely, she said, there must be potential for abuse when capital and government are linked. "Didn't you ever see a politician that you had to stop?" Weiss asked. "Who was in your pocket?"

"Let me give you an example of this access, and why it's completely O.K.," Saban responded. "I hosted the Senate Majority Leader, Harry Reid, in my home. I was informed that he refused to sign a letter to Obama, which was signed by most of the senators, supporting Israel, before the speech in Cairo. . . . I got the message on Saturday and he was at my house on Sunday. I asked him, 'Why didn't you sign?'

"So he said, 'Because I don't sign other people's initiatives,' as the leader, as head of the Democratic Party.

"I said, 'So send a letter of your own.' " And, Saban added, smiling, and with hesitation, as though he did not like to boast, "He did."

He continued, "I won't say that nobody abuses it. But I've been active in American politics for over fifteen years, and I've never abused it. No one ever wrote that I abused it. Everything is fine. We can look for something," he added, laughing. "But we won't find a thing." ♦

- *Connie Bruck has been a staff writer at The New Yorker since 1989.*

